

Message Text

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PAGE 01 TOKYO 15166 220844Z
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E.O. 11652: N/A
TAGS: EFIN, JA
SUBJECT: JAPANESE FOREIGN TARIFF AND TAX TREATMENT OF
GOLD COIN AND MEDALLION SALES

REF: STATE 210937

1. SUMMARY: FOLLOWING INFORMATION ON TARIFF AND TAX
TREATMENT OF GOLD COIN AND MEDALLION SALES IN JAPAN HAS
BEEN SUPPLIED BY RESPONSIBLE OFFICIALS AT MINISTRY OF
FINANCE, BANK OF JAPAN, TOKYO CUSTOMS OFFICE, AND
NATIONAL TAX ADMIN AGENCY. END SUMMARY.

2. LEGAL ASPECTS: THE GOVT OF JAPAN HAS NOW LIBERALIZED
IMPORTS OF PRECIOUS METALS, SUCH AS GOLD MEDALLIONS, AND
ONLY REQUIREMENT STILL EXISTING UNDER THE FOREIGN EXCHANGE
CONTROL LAW IS THAT REPORTING HAS TO BE MADE TO EITHER AN
AUTHORIZED FOREIGN EXCHANGE BANK OR A CUSTOMS HOUSE IN
CASE THOSE IMPORTS EXCEED 3 MIL YEN. IN CASE OF GOLD
COIN IMPORTS, TREATMENT DIFFERS DEPENDING ON WHETHER
THOSE COINS ARE CONSIDERED LEGAL TENDER OR PRECIOUS METAL.
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PAGE 02 TOKYO 15166 220844Z

MOF DEFINES LEGAL TENDER AS MONEY IN CIRCULATION AND AT
THE SAME TIME BEING TRADED AT FACE VALUE AT HOME COUNTRY.
THEREFORE, EVEN IF GOLD COINS ARE CIRCULATING AS LEGAL
TENDER BUT TRADED PRIMARILY FOR COLLECTION AT MORE THAN
FACE VALUE, SUCH TRANSACTIONS ARE CONSIDERED IMPORTS OF
PRECIOUS METALS UNDER THE JAPANESE FOREIGN EXCHANGE CON-
TROL LAW AND TREATED IN THE MANNER MENTIONED ABOVE. IF

GOLD COINS ARE CONSIDERED LEGAL TENDER, IMPORTS OF SUCH COINS ARE TREATED AS IMPORTS OF MEANS OF SETTLEMENT OF INTERNATIONAL TRANSACTION. THE JAPANESE LAW PERMITS BOTH RESIDENTS AND NON-RESIDENTS TO EXPORT FROM AND IMPORT TO JAPAN, WITHOUT APPROVAL, MEANS OF SETTLEMENT OF INTERNATIONAL TRANSACTION UP TO A LIMIT OF 100,000 YEN. TRANSACTIONS EXCEEDING THAT LIMIT HAVE TO BE APPROVED BY MINISTRY OF FINANCE.

3. TARIFF AND TAX TREATMENT: IMPORT TARIFF ON GOLD MEDALLIONS IS CURRENTLY RUNNING AT 20 PCT OF IMPORT PRICES OF GOLD MEDALLIONS ON CIF BASIS. IN ADDITION TO TARIFF, 15 PCT COMMODITY TAX IS IMPOSED ON THE BASE OF CIF IMPORT PRICE PLUS TARIFF. IF GOLD COINS ARE IMPORTED, NO TARIFF IS IMPOSED REGARDLESS OF WHETHER THEY DO OR DO NOT CIRCULATE AS LEGAL TENDER. HOWEVER, FOR COMMODITY TAX PURPOSES, ALL GOLD COIN PURCHASES ARE CONSIDERED TO BE FOR COLLECTION PURPOSES AND, EXCEPT FOR A SMALL TAX-EXEMPT AMOUNT, ARE ALL SUBJECT TO THE 15 PCT COMMODITY TAX. THE MAXIMUM TAX-FREE AMOUNT PER TRANSACTION PER PERSON IS CURRENTLY 25,000 YEN PER UNIT OR SET UNDER THE JAPANESE COMMODITY TAX LAW. THE SOUTH AFRICAN KRUGGERRANDS ARE TREATED AS COINS BY THE CUSTOMS AUTHORITIES SO NO TARIFF IS IMPOSED. FOR COMMODITY TAX PURPOSES, THE KRUGGERRANDS ARE TREATED AS COLLECTION ITEMS AND ASSESSED THE 15 PCT TAX. MANSFIELD
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PAGE 03 TOKYO 15166 220844Z

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